BANFF BREWERY

1996

annual report

Banff Brewery Corp.

Contents

Corporate Profile

Banff Brewery Corporation first started as a Junior Capital Pool on the Alberta Stock Exchange in April of 1994. A private rights offering raised $750,000. Then in February of 1995, the two companies were formally merged with total capitalization of $1 million, to which a small business loan of $250,000 was subsequently added.

Today, Banff Brewery is Canada's only microbrewery which specializes in offering a full product line of authentic, 100% natural German craft brewed lager beers and ales. All our beers are hand-crafted in small batches, unpasteurized and naturally brewed in strict accordance with the Bavarian Purity Law of 1516. The Law demands the use of only four ingredients - barley, yeast, hops and water. Banff Brewery uses the best of these four ingredients; select Canadian malt barley, imported German yeast, hops and purified water.

An asset to the brewing operations is our German Master brewer, a graduate of the internationally recognized Weihenstephan Institute of Brewing at the Munich Technical University in Germany. Using true German recipes, he oversees our product development, creating richly-flavoured, quality ales and lagers.

Currently, Banff Brewery offers four distinct styles of German beers - a South German Pilsner called Whitehorn; Dancing Bear Weissen, a German filtered wheat beer; Two Jack Ale, a Kolsch ale; and lastly, our newest product, Storm Mountain Bavarian Dark, a German Dunkel or dark lager. All beers are Krausen brewed (double fermented) and fully aged for up to five weeks.

Banff Brewery trades on the Alberta Stock Exchange under the symbol BBW. Requests for copies of this annual report or product inquiries may be made to Alan Barrie, President, at (403) 250-3883 or Fax (403) 250-8589.

Note: All numbers have been rounded in the text of this report.

Highlights

This report will feature the financial information for Banff Brewery's first fiscal year of operation, ending February 1996. We are pleased to announce to our shareholders that during this time and the six months following, much has been accomplished. Launching a new company always carries unique challenges and while the first year financial and operating results reflect the higher capital costs of plant, brewery equipment and one-time costs associated with graphic and packaging design, we are proud to report the initial outlay of $1.2 million brought us to a point ahead of our business plan.

During its first year and a half of operation, Banff Brewery achieved four significant business objectives:

- To build the brewery and bottling plant
- To create three distinct styles of German beers with strong and unique graphics and packaging
- To establish a provincial market presence and to build a brand franchise
- To establish distribution and sales outside the Alberta market

Banff Brewery successfully achieved these goals. The highlights of our first 18 months of operations were:

January 1995	Secured a plant site and commences leasehold improvements.
March 1995	Installed and completed a $450,000 state-of-the-art brew house and $300,000 bottle line.
April 1995	Completed first brews and launches three brands into the Alberta market.
May 1995	Brand distribution demonstrated strong growth and consumer acceptance.
July 1995	Brewed first of many private label beers. Signed a licensed merchandise agreement in Banff and retailed 2000 T-shirts in summer season. Initiated brand strategy to add a dark lager to portfolio by Fall.
November 1995	Brewed first contract brand - a Vietnamese specialty beer.
December 1995	Successfully launched Storm Mountain Bavarian Dark Lager.
February 1996	Brewed second contract brand.
May 1996	Secured fall listing for Storm Mountain Lager in British Columbia.
June 1996	Launched brand line into Manitoba.
August 1996	Exported first shipment of 2,600 dozen beer to Ohio.

The Company's strategy to create a portfolio of distinct German beers with strong brand names and packaging came as a response to a market dominated by atypical English style ales and lagers and the resulting need to create market differentiation. To feature this taste "uniqueness" in the North American beer market we have and will continue to support our brand introductions with point-of-sale materials coupled with extensive direct sampling activities, both on and off-premise.

Our strategies are proving successful, as demonstrated in the sales growth over the past 18 months together with the achievement of penetrating new markets in Manitoba, British Columbia and particularly the United States. We are confident our current operating and marketing strategies, coupled with sound fiscal management can provide the recipe for future sales growth and profitability for our shareholders.

Glossary

In the interest of clarity and for the purposes of this report, the following definitions should prove helpful.

ALE - *Traditionally, a European beer and British in particular. The style is characterized by fruity, nutty or malty flavours and occasional cloudiness. These characteristics are a result of warm or near-room temperature fermentation using a top-fermenting yeast. Ales are rarely pasteurized and are best when served fresh and at cellar temperature.*

BARREL - *A U.S. unit of measurement for beer volume or brewing capacity. One barrel is equal to 31 American gallons and is equivalent to 13.8 cases of 24, 12 ounce bottles of beer. A barrel is also equivalent to 1.173 hectolitres.*

CONTRACT BREW - *The brewing of a specialty beer whereby the company acts solely as the brewing and packaging source. All elements associated with marketing and distribution are handled by the outside company.*

CRAFT BEER - *Generally thought to be full-flavoured ales and lagers. These are brewed in the European style using the highest quality hops, malt, and yeast and without adjuncts such as corn, rice or other sweeteners and without pasteurization or other mass production processes.*

DECOCTION - *A more complex malt barley mashing process lasting up to five or six hours. Malt mashing starts at a temperature of approximately 35° C and is gradually heated to a temperature of 76° C. The process results in a more exhaustive conversion of starches.*

DUNKEL - *A German name for dark Bavarian beers.*

FERMENTATION - *The process by which yeast converts the simple sugars in beer wort into alcohol and carbon dioxide.*

HECTOLITRE *(HL) - A metric unit of capacity defined as 100 litres or 23.86 dozen or 22 Imperial gallons.*

HOPS - *An aromatic vine whose female flowers have been used since the 13th century to provide bitterness and floral aromas to beer.*

KEG - *A stainless steel container used by vendors which typically range in sizes of either 30 or 58.6 litres (132 or 258 U.S. gallons). The kegs are kept in a cool cellar.*

KOLSCH - *Originating in the Rhineland city of Cologne, a golden ale with light, rounded fruitiness and clean crispness derived from German ale yeast and wheat malt.*

KRAUSEN BREWING - *The stimulation of the secondary fermentation process by the addition of partially fermented wort.*

LAGER - *Originally a German style of beer. The brewing or lagering of a beer requires additional fermenting or aging time usually at cooler temperatures than ales. The style is characterized by light and delicate floral aromas and a crisp finish.*

LTO *Limited Time Offering. - A short term discounted price offering on a specific package size or product. May be offered in limited quantities.*

MALT BARLEY - *The product of malting. Specialty malts are cleaned and roasted to provide colour, roasted taste and more body to the resulting beer.*

MASH - *The product resulting from the first stage of the brewing process whereby malt is mixed with hot water to form a porridge-like mash. This process converts the starches of the malt into fermentable sugars.*

MICROBREWERY - *A brewery that typically brews hand-crafted, all natural and unpasteurized beers without the use of adjuncts such as rice or corn. These breweries generally brew beer in small batches and use the highest quality ingredients. The ceiling for this classification in Canada is 60,000 HL production per annum.*

OFF-PREMISE - *A term used to describe retail accounts such as private liquor stores, wine stores and hotel outlets where alcoholic beverages are purchased for consumption at a place other than the point of purchase. Often referred to as the home consumer market.*

ON-PREMISE - *A term used to describe licensed retail outlets such as bars, restaurants and taverns where alcoholic beverages are consumed on the premise where they were purchased.*

PILSNER - *A style of lager beer originally associated with the Pilsen area of Czechoslovakia. A Pilsner style of beer is typically pale in colour and lightly hopped with a clean finish.*

SKU *Stock Keeping Unit. - The industry standard unit for a particular package size and configuration.*

WEISSEN - *This is a wheat beer originating from Bavaria. The taste is characterized by a distinct light fruit palate. A Hefe-weizen beer is also a wheat beer but it has not had the yeast filtered out. As a result the beer has a slightly cloudy appearance.*

WORT - *The solution of extracted sugars and proteins from the malt barley. It is to this solution that hops are added and then brewed in the brew kettle.*

YEAST - *Used in the fermentation process to convert sugars to alcohol and carbon dioxide. Top-fermenting yeast, employed in brewing ales, rises to the top of the vessel.*

CONVERSION TABLE

one industry standard bottle	341 millilitres	11.5 U.S. ounces
one dozen	4.092 litres	
one keg	58.6 litres	14.32 dozen
one hectolitre	100 litres	23.86 dozen
one U.S. barrel	1.173 hectolitre	

To convert from:	to:	multiply by:
kegs (13.5 gallons)	hectolitres	0.6137
hectolitres	dozens	23.86
hectolitres	kegs	1.629

I take great pleasure in presenting Banff Brewery's first annual report. This report will serve to bring investors up to date with our fiscal results for the 10 months ending February 1996 as well as provide a look at the latest developments in our operations and in the industry as a whole.

The company was originally listed as a Junior Capital Pool on the Alberta Stock Exchange in April 1994. Concurrent with this listing, $750,000 was raised through a private rights offering that closed on June 30, 1994. The two companies were formally merged in February 1995 with total capitalization of $1million. We then secured a $250,000 small business loan. With the necessary financing in place, Banff Brewery Corp. was subsequently launched with two key business strategies:

- To build a microbrewery operation that has the potential to grow beyond the local market niche typically held by a microbrewery.
- To create significant product differentiation in beer style and graphics in order to break out of the market clutter.

To achieve these objectives the company first secured the Banff Brewery name and trademark. The corporate name of "Banff" is recognized as a world class tourist destination in the heart of Canada's Rocky Mountain Range. This recognition, supported by our other brand trademarks and packaging graphics, are viewed as significant tools in our long term growth and profitability strategy.

Next on our agenda was the establishment of the brewery itself. Banff Brewery leased a 14,000 square foot brewery facility in the winter of 1995, installed a state-of-the-art brew house and bottle line facility and successfully launched our first products into the Alberta market, all by April of the same year. Approximately 11,000 square feet is allocated to brewery production including shipping and receiving. The remaining space is allocated to offices, a quality control lab, an on-site boutique and area for further expansion. In regards to the boutique and other retailing, the company signed an exclusive merchandising agreement with the highest profile retailer in the Banff market (The Shirt Company). Although initially not a large source of revenue, brand merchandising of this type is a valuable tool to reinforce brand imagery and build consumer loyalty.

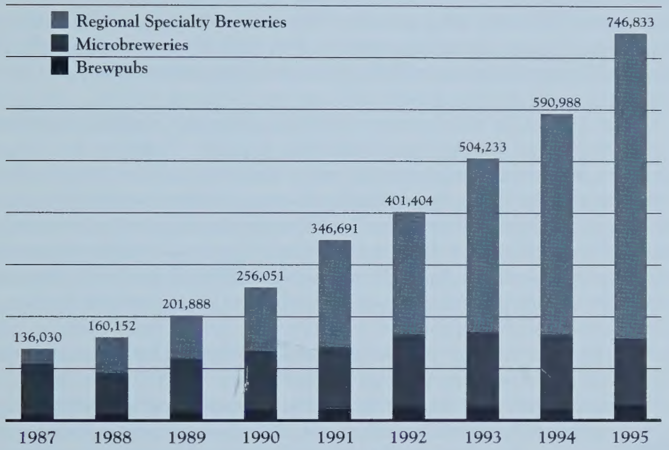
To create the desired brand differentiation the company decided to brew only authentic German ales and lagers which is currently represented by our four products, Whitehorn Pilsner, Dancing Bear Weissen, Two Jack Ale, and our most recent addition, Storm Mountain Bavarian Dark Lager. Brewing German beers has, and we believe, will continue to allow us to build a brand franchise distinct from the typical English style ales dominating the craft brewed segment.

MICROBREWERIES - AN OVERVIEW

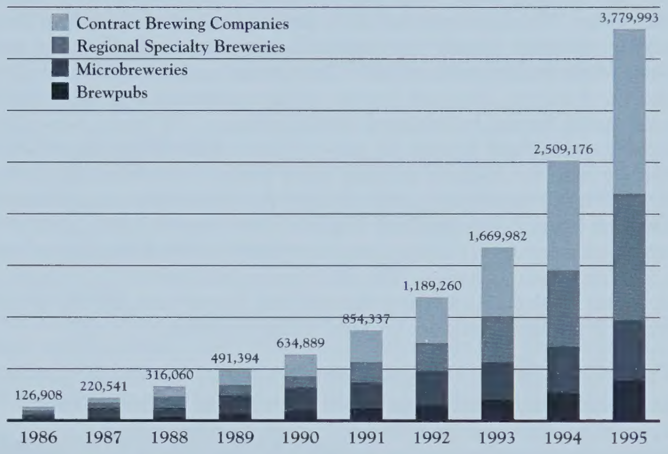
The reasons for launching Banff Brewery when we did, are clear and simple. The brewing of craft beers is a growth industry and it, like many other consumer product segments such as cottage wines, ice cream and gourmet coffees, represents a strong shift in consumer preferences toward more quality, richly flavoured products. Hence a higher number of today's beer consumers are becoming bored with the mass marketed products and are seeking something other than the prevailing beer style. Consumers are now more selective, more demanding and more informed than ever before about the products they purchase. The goal of Banff Brewery is to focus on and cater to this growing trend.

Already, Banff Brewery is effectively competing in the growing microbrewing segment of the North American beer industry. The New Brewer magazine (June 1996) reported that the U.S. micro brewing industry grew by 50% in both of the last two years. In Canada, total craft brewed production climbed 26% in 1995 to 747,408 HL, up from a 17% increase in 1994 and in Alberta, the microbrewing industry continued to demonstrate strong double digit growth - in line with the trends across North America. The magazine, Beverage World (May 1996) notes that 1995 marked the fifth consecutive year the specialty beer segment had grown by high double digits. Since 1990 the compound annual growth rate has been 31.3%, while the total U.S. beer market has a compound annual shrinkage of -0.5%. The Alberta market for craft brewed beers can generally be described as young and growing, especially relative to the more mature markets of British Columbia and the Northwestern U.S. This is reflected in the increasing market share for this segment, while the mainstream brands have begun to see their market share being eroded as consumers demand quality over quantity. In Canada, mainstream brewers market share fell one percent in 1995 from 19,251,949 HL to 19,239,159 HL. In comparison, imported beer consumption rose 13% from 578,654 HL to 658,549 HL, representing just over three percent of the Canadian market.

Institute for Brewing Studies'
Canadian Craft-Brewing Index
(figures in hectoliters, showing total taxable domestic sales of beer in the categories listed)



Institute for Brewing Studies'
United States Craft-Brewing Index
(figures in U.S. barrels, showing total taxable domestic sales of beer by breweries in the categories listed)



At the same time as the consumer is demanding a quality product, research shows the consumer is also willing to pay a premium price for specialty beer products. In an April 1995 Equity Research paper conducted by Dean Witter, the company states, "American consumers are showing an increased willingness to pay premium prices for high quality, specialty beer products. Specialty beer offers both quality and variety and therefore is well positioned to benefit from this consumer trend which we believe will continue to support the industry's rapid growth". Supporting this view is an investment thesis on the specialty beer industry written by Piper Jaffray Research (December 1994). The thesis states, "We believe explosive consumer demand will allow the specialty beer segment to grow at an extremely rapid rate over the next few years (....) Industry projections suggest growth of at least 40% annually as specialty beers whittle market share away from national brands and imports. Capturing just a fraction of specialty beer sales amounts to an enormous business opportunity."

FISCAL RESULTS AND ACHIEVEMENTS TO DATE

Fiscal 1996 was a year of learning our strengths and weaknesses and of adapting to market demand. The first year of building the business and establishing brand preference is reflected in the Company's fiscal results for the 10 months ending February 1996. During fiscal 1997, Banff Brewery has made significant gains in effectively managing our brewing costs, streamlining operating overheads and achieving excellent plant efficiencies. Marketing and distribution costs are expected to remain constant as the company builds brand distribution outside the key urban markets and maintains its customer service focus.

During fiscal 1997 the company has taken the necessary steps to build distribution and secure increased sales volume. While Alberta will provide a solid base of sales, we recognize in the short term that the relatively young craft brewed market in Alberta will not provide the required volumes. We were pleased however, to see improved distribution throughout Alberta with increased sales volumes to

towns such as Cold Lake, Peace River, Grande Prairie, Bonnyville, Camrose, Medicine Hat, Whitecourt and Jasper. To date, five micro breweries from British Columbia and other "pseudo" craft brewed brands as represented through major breweries have been introduced into the Alberta marketplace. However, the graduation of other so called craft brewers into the mainstream segment has created a strong market demand by consumers seeking authentic craft brewed beers such as those produced by Banff Brewery. In order to build volume and penetrate the draft market segment, the company launched Storm Mountain Bavarian Dark in draft. Today, this beer is the exclusive draft offering at Air Canada Maple Leaf Lounges at Calgary and Edmonton International Airports. After extensive lobbying efforts the company was successful in securing a November listing for Storm Mountain into the province of British Colombia. The B.C. market penetration is a significant achievement given the high market share for craft brewed beers and the normally restrictive brand listings policy of the provincial government.

The most significant development in the company's brief history has been its ability to secure distribution in the United States market. To date, brokers and distributors have been established in 14 states. Our first order of 2,600 dozen was shipped to Ohio on August 2 with more states to follow in short order. Access to the U.S. market and the B.C. listing, should offset the typical lower volume winter seasonal sales, a trend that was evident in our first year of operations. Alberta endured one of the coldest, wettest summers in 25 years and was followed by an unseasonably cold and lengthy winter. As a result, sales volumes of 885 HL (for the 10 months ending February 1996) were lower than anticipated for fiscal 1996. In contrast, fiscal 1997 sales volumes to date have demonstrated strong growth. June 1996 sales were 147 HL, 18% higher than June 1995 when the company was filling the distribution pipeline. July 1996 volumes were 198 HL, 57% greater than the previous year, with August on track for similar results.

Market demand for our current portfolio in the domestic markets coupled with our draft product has stretched our current plant capacity. Therefore, the company expects to raise additional capital by the end of fiscal 1997 so that we may continue to effectively service both the expanding domestic market and the U.S. export market, and our draft beer initiative. Banff Brewery is committed to a strategy of carefully measured expansion which will allow us to meet required sales volumes and create value for our shareholders. We will aim to fulfill this goal while remaining committed to our mandate of strict quality control and strong customer service .

In a short period the company successfully created the distribution opportunities that should produce the necessary volumes for profitability. Banff Brewery expects the continued growth of the craft beer market segment, combined with our own market expansion, to make fiscal 1997 a rewarding year. Thank you to all our shareholders for supporting Banff Brewery on its quest for success.

Alan Barrie
President
September 30, 1996

Our Brand Portfolio

The product strategy of Banff Brewery is to offer the consumer a variety of German beer taste options. According to demographic research, having options available is an important purchasing factor for the consumer group we are targeting. By offering people four distinct brands, Banff Brewery increases the likelihood of having the consumer prefer at least one of our brands over the competition and of appealing to a broader consumer market.

Banff Brewery is one of the few breweries in North America to employ Krausen brewing techniques in its operation. Krausen brewing or double fermenting of the beers is a more time consuming process but results in a beer with excellent levels of natural carbonation and an exceptional smooth clean finish. The natural carbonation results in Banff Brewery beers pouring with a rich and creamy head that lingers well after the initial pour. Our brew house and bottle line also features the latest in low oxidation and pre-evacuation technology which ensures premium quality and extended product shelf life.

Banff Brewery brands are fully aged for up to five weeks. This contrasts sharply to most English style ales and other mass produced beers that are packaged after 10 days of fermentation.

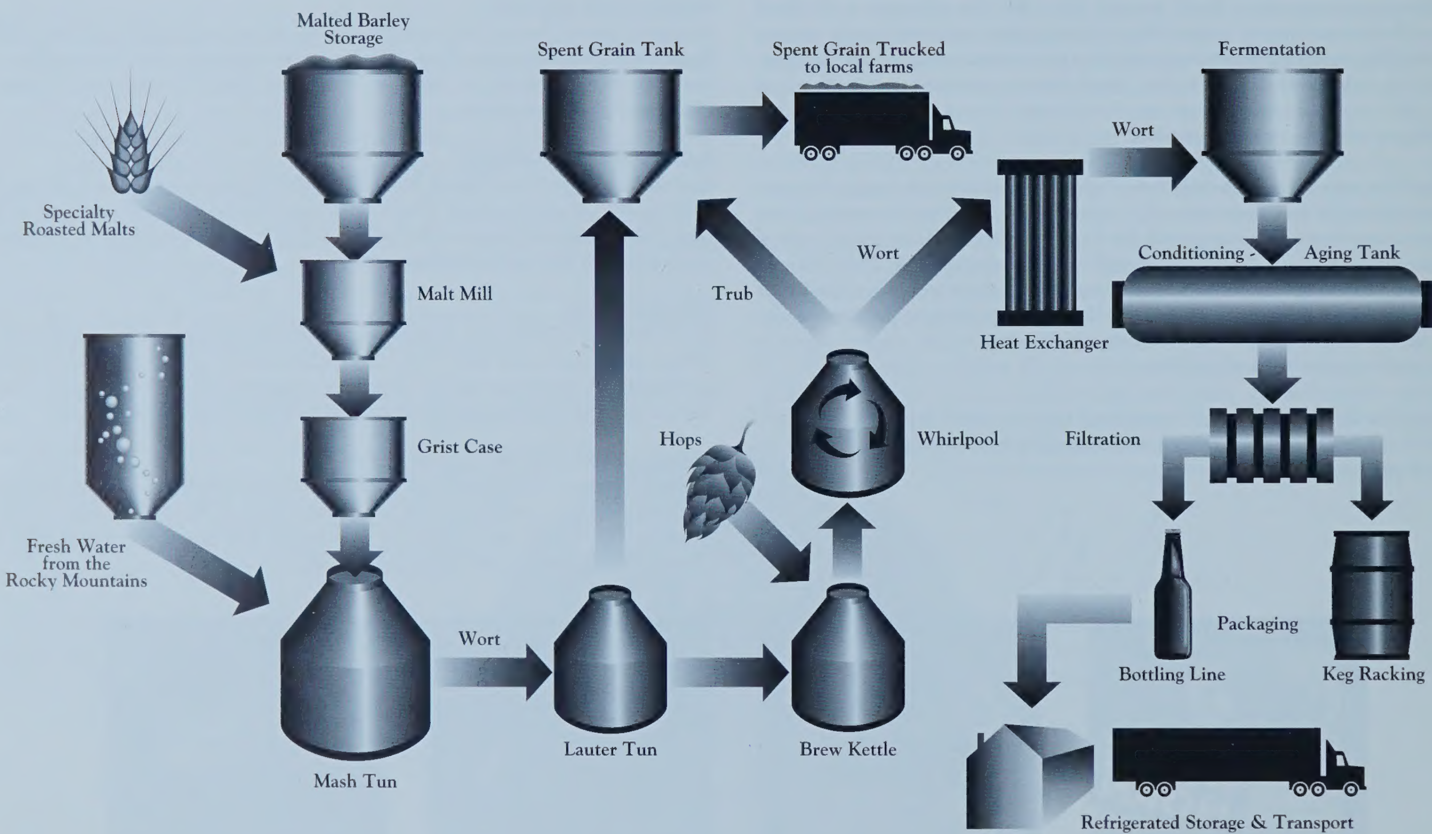
WHITE HORN PILSNER
A classic South German style pilsner, lightly hopped and pale in colour with characteristic Krausen smoothness. The beer is brewed with premium Canadian 2 row Pale malt, a blend of Perle and Hallertau hops and imported German (Weihenstephan) lager yeast.

DANCING BEAR WEISSEN
A traditional Weissen or Wheat Beer. The distinctive clove and banana flavour is characteristic of our imported German ale yeast. Canadian wheat and imported Caramunich malt combined with Perle and Hallertau hops result in a refreshing clean beer with light fruity overtones.

TWO JACK ALE
A full flavoured Kolsch style German ale, brewed with Canadian 2 row Pale malt, Wheat and Caramunich malt. Perle and Hallertau hops and Krausen brewing are combined with premium German ale yeast for a darker, full bodied ale with a light fruit palate, which still retains the characteristic clean finish of German ales.

STORM MOUNTAIN BAVARIAN DARK
A classic German Dunkel style lager. Pale malt, Caramunich and Munich 90 Dark malt contribute to a full flavoured, five percent alcohol beer with a light roasted palate and a hint of nut. Aging for five weeks and Krausen brewing delivers exceptional smoothness and a rich creamy head.

Banff Brewery Process



Operations

THE BUSINESS STRATEGY

Banff Brewery believes product differentiation is key; particularly when confronted with the proliferation of consumer beer brand choices on the market today. In Alberta alone there are some 225 domestic and imported brands. Also critical for success is the ability to grow beyond local market niche limitations so often experienced by microbreweries. To meet these criteria the company focuses on maximizing consumer recognition of the Banff name and the accompanying brand names while developing a distinct German product. In addition, as our products are brewed with natural ingredients, they offer appeal to today's health conscious consumer. By focusing its efforts in this manner the company is able to build brand loyalty, thus providing an advantage over segment competitors. Brand loyalty generates tangible benefits such as greater volume or brand share and higher margins. Being number one in consumers' minds translates into more units at the checkout. The product can then be sold at a premium based upon the value added to the distinctive brand equity.

BREWING FACILITIES

The rapid growth of the craft brewing industry in North America has resulted in a proliferation of small localized breweries on the market. A great number of these breweries were created with a collection of used and modified brewing and bottling equipment, most of it cast off by larger North American or European brewers. Most of this equipment is of questionable reliability with replacement parts difficult to source. These systems also bring with them an inherent problem with high levels of oxidation at the brewing and bottling source.

Recognizing the critical importance of delivering a consistent, high quality beer to the market and dealing with unpasteurized beers, Banff Brewery purchased a highly modern brew house and bottle line. The $450,000 full grain brew house incorporates low oxygen uptake technology and the flexibility to brew a variety of beers. The configuration allows for the production of classical pilsners by the traditional decoction method, more modern lagers or ales by upward infusion and traditional ales by temperature infusion. The system delivers consistent quality and stability through reduced wort protein and oxygen levels. The brew system is a semi-automatic process flow design with minimal manpower requirements and the capacity for rapid expansion through the addition of sequential secondary aging tanks. Current capacity is 7,000 HL (168,000 dozen) per annum with expansion capability to 14,000 HL (336,000). The facility also includes a modern filter sheet filtration system. This system results in a clarity level down to .045 microns, producing a stable product with long shelf life - essential for a premium non-pasteurized beer.

Complementing the brewing facilities is our $300,000 Italian bottle line. This consists of bottle rinser, filler, crowner and labeler in a fully automatic monoblock design with the latest pre-evacuation technology, which by removing residual oxygen delivers longer shelf life for nonpasteurized beers. The bottle line has the flexibility to package a variety of bottle sizes and label and package configurations and features a 16 head filler with capacity of 45 bottles per minute.

QUALITY CONTROL

The company can maintain its high standards with the inclusion of an on-site laboratory. Ongoing monitoring ensures a consistent high quality product. Detail product analysis is secured through a qualified outside lab on a regular basis to ensure our brewing and bottling meets the strict standards of German brewing technology. All Banff Brewery brands are freshness dated on the carton for 120 days. Any products unsold at the time of the shelf life expiration date are returned to Banff Brewery at our expense. This product is replaced on the shelf with fresh product. Our marketing team ensures proper stock rotation and product freshness on the shelves and continually strives to educate liquor outlet staff about our beers and their proper handling and dispensing.

The initial investment in high quality equipment is an essential element in quality control and long term growth potential for Banff Brewery. The Company has the ability to brew in small batches to meet regional preferences and consumer demand for variety. This, added to our emphasis on freshness and high quality, are difficult elements for mass beer producers to duplicate.

RAW MATERIALS AND SUPPLIES

Banff Brewery utilizes only premium malt, yeast, hops and water for all its beers. The barley malt is selected Canadian 2 row from the Canadian prairies and is bought in bulk and stored in our 22 metric ton grain silo. Roasted and specialty malts are purchased from Western suppliers in 25 kilogram bags. Hops are purchased directly from agents in Washington State and we import ale and lager yeast directly from Germany. Importing German yeast ensures product integrity and results in brews with excellent fermentation rates. The strict quality control by German brewers eliminates the risk of yeast contamination. Contamination could result when using North American yeast strains which may be altered over time through improper yeast propagation. The fourth ingredient, water, is sourced from the City of Calgary Bow River water system and is filtered with an activated charcoal filter system prior to entering the plant. The source of the Bow River itself is the Bow Glacier which lies in the heart of Banff's Rocky Mountains. The ionic balance of this mountain fed water source requires minimal treatment prior to brewing.

Bottles are readily secured from the supplier on 48 hours notice. The company utilizes the industry standard 341 millilitre long neck bottle. Because of consistent supply and a low price this choice allows us to work to a just-in-time inventory management and to recapture the significant domestic cost of bottle recycling ($1.20/dozen). Private mold bottles are not cost effective, both from a sourcing and recycling standpoint. The closed six pack configuration is used because the target consumer is typically not a high volume consumer and prefers the convenience of this size and the ability to mix and match beer styles.

MARKETS AND DISTRIBUTION

The introduction of Banff Brewery's products into the Alberta market met with favourable consumer response. Our fourth brand, Storm Mountain Bavarian Dark has risen to become our best seller. The addition of Storm Mountain has brought significant value to our other brands and assisted the company in securing prime retail space. Effective distribution into key urban markets of Calgary/Banff and Edmonton was achieved early in fiscal 1996. This was followed by extended distribution into smaller urban centres. With the privatization of the Alberta Liquor Control Board (ALCB), Banff Brewery undertook the direct selling and distribution of its brands to some 650 liquor stores in the province. This home consumer market represents about 80% of provincial volume and is the key consumer target for craft brewed beers. During our first year of operations, we devoted substantial resources to penetrate this market.

From the outset the company's strategy has been to access domestic markets beyond Alberta. The launch into the Manitoba market in June 1996 improved profitability and substantially added to our brewing and bottling efficiencies. The introduction of our Storm Mountain brand into British Columbia in November 1996 should add to these efficiencies. In addition, the increased volumes will reduce packaging costs per unit, which represents a significant part of the finished product overhead.

Penetrating the B.C. market is a tremendous success for the company given the restrictive listing policy of the province and the high percentage of consumers per capita favouring craft brewed beers. With some two million more residents than Alberta and a growing craft brewed segment, the company anticipates a positive response to our brands. Considering the B.C. market is dominated by atypical English style ales, Banff Brewery's German ales and lagers will be marketed as an attractive new product for consumers in this part of Canada.

Although the Saskatchewan market is relatively limited for craft brewed beers, the company is currently exploring market opportunities in this province. Gaining any additional volumes would decrease freight costs into Manitoba. At this time, Banff Brewery is not looking to expand into any of the provinces east of Manitoba. The reasons for this are twofold: the rigorous and restrictive listing and regulatory policies and secondly, the prohibitive distribution costs relative to fees paid to access the U.S. market. As well, any products sold in Ontario would have to be distributed solely by Brewers Retail which is a private company 99% owned by Labatts and Molsons. All brewers distributing beer in Ontario pay a service fee to Brewers Retail based upon the sales volumes sold through its distribution network.

We consider the procurement of an export and distribution agreement into the United States as being the most significant accomplishment in the company's short history. Gaining access to the U.S. market would not have been possible had Banff Brewery been brewing another typical English/Canadian ale. Brewing distinct German beers has been a critical factor is exporting to the U.S. market.

Our first U.S. shipment of 2,600 dozen was made to Ohio in July 1996. The company expects to add several other states in the next few months, including Tennessee, Colorado, California, Idaho, Washington, Oregon, and North and South Carolina. Establishing a market in the more southern states should offset the winter seasonal swings of a cold Canadian winter. The southern states also have a lower ratio of breweries per capita and thus improve the likelihood of Banff Brewery brands being noticed by the consumer. The company is in the final stages of negotiating distribution into New York, New England, and Montana. The company chose to target these states, as opposed to the mature market and heavily saturated craft brewed states of the Pacific Northwest.

The U.S. orders are shipped Freight on Board (FOB) the Calgary brewery in order to minimize overheads and to deliver consistent cost per hectolitre. The importer of record is responsible for all elements associated with shipment, freight, duty and brokerage. With the value of the Canadian dollar, Banff Brewery is able to effectively export our beers to the U.S. at a very competitive price with local microbreweries. A pricing strategy which allows us to increase prices 90 days after introduction enables the company to secure improved profit margins once the brands are established in the respective markets.

The majority of the U.S. microbreweries package in the open six-pack carrier design. Banff Brewery has opted to simply modify the existing Canadian closed six-pack carton for the U.S. market. We adopted this approach in order to increase our brand profile and to break out of the clutter, so to speak, in a market dominated by the open carrier. Opting for a single-styled carton for both the U.S. and Canadian markets also eliminated the cost and redundancy of double carton inventory and design costs.

Product distribution in the U.S. is basically a three-tiered system consisting of an importer or broker, beverage distributor and retailer. Freight is by refrigerated truck to ensure product quality for nonpasteurized beers. Orders are filled on an as-needed basis to ensure product freshness and longer shelf life.

MARKETING AND TRADEMARKS

The basic brand marketing strategy of Banff Brewery is to position the brands as premium, nonpasteurized beers that offer unique characteristics over the competition, namely; German style and flavours, superior brewing in small batches with premium imported ingredients, and packaging incorporating Rocky Mountain imagery.

Marketing efforts are directed at building brand distribution, brand trial and awareness with the budget being directed primarily at the high volume home consumer or liquor store trade which accounts for 80% of provincial volumes. Secondary focus is paid to the on-premise trade where marketing efforts are focused on building draft distribution and brand demand in target demographic accounts. Rather than using extensive advertising which is neither feasible or cost effective, brand trial and brand conversion is accomplished with extensive product sampling programs, both on and off-premise. These efforts are supported by point of sale merchandise. Where applicable, suitable cost effective cross promotions and event sponsorships are developed to raise the brand profile in the community. As well, the company participates in numerous trade shows and beer festivals in order to build industry contacts and consumer awareness.

The Banff name and imagery of our brands coupled with distinct graphics offers strong consumer appeal at the retail level. Alberta has a strong and growing tourism market, with over four million tourists visiting Banff National Park yearly. Therefore, name recognition and the appeal of a local brew have proven beneficial elements in driving sales and volumes. The company attempts to maximize these traits at all times. Merchandise in pack mail order forms serve to reinforce the initial brand sale for those customers visiting Alberta and desiring a momento of Banff Brewery.

The brand names are viewed as significant assets and the company has taken necessary and prudent steps to trademark our names and designs, both in Canada and the U.S. The company has also registered other suitable brand names in anticipation of possible longer term opportunities. The company's policy is to pursue registrations of its marks whenever appropriate and to vigorously oppose any infringement of their use.

GROWTH PROSPECTS

The remainder of fiscal 1997 will be a period of product and market expansion as we prepare to introduce our fifth product, Banff Brewery Hefe-Weizen, into the Alberta market place in October 1996. This hearty beer, known as a hefe-weizen or unfiltered wheat draft beer differs considerably in taste from the Dancing Bear product because being unfiltered, the mellow yeast flavour is left intact. After the launch of the company's fifth product Banff Brewery will then make its first shipments of Storm Mountain Bavarian Lager into 34 government liquor stores in British Columbia. In addition, new shipments will be made into the U.S. with initial orders of 1,200 dozen going to California, 2,000 dozen to Tennessee and 2,800 dozen to New York.

Our operating and financial goals during fiscal 1997 are to continue the growth of the company by expanding sales, volumes and plant capacity. These activities will always be approached with the goal of quality and the tastes of the customer in mind.

Management's Discussion

Banff Brewery was originally listed as a Junior Capital Pool on the Alberta Stock Exchange in April of 1994. Concurrent with this listing, the principal raised $750,000 through a private rights offering that closed on June 30, 1994. The two companies were formally merged in February of 1995 with total capitalization of $1,000,000. The company subsequently secured a $250,000 small business loan.

Current shares outstanding are 11,502,846 common shares. Management and directors control approximately 38 percent of the stock, with the remaining stock widely held.

FACILITIES AND EMPLOYEES

The company currently has a five year lease, dated from January 1995, on a 14,000 square foot facility. Approximately 11,000 square feet is allocated to brewery production - brew house, aging, kegging, bottle line, shipping and receiving. The remaining leased space is offices, quality control lab and on-site boutique. Approximately 3,000 square feet remains for brewing expansion through the addition of sequential secondary aging tanks. The facility is leased at $4.00/ square foot, with 2,600 square feet gratis as per the building lease agreement.

Brewing capacity is currently 7,000 HL per annum with expansion to 14,000 HL readily accomplished with the noted tank additions. Brewing capacity is a direct function of fermenting time and as our beers are aged for four to five weeks, this impacts annual capacity relative to tankage. Upon completion of leaseholds and installation of brewing equipment, the company launched its first brands in May of 1995 (packaged only) and added draft in June of 1996.

Currently, there are five full time employees including management. Three part-time staff are brought in on as-needed basis for scheduled bottling days. The company does not foresee substantial increases in manpower over the short term.

COMPETITION

Many outside the industry recognize the strong growth rate and wish to participate in the craft brewed beer market. A proliferation of additional microbreweries would place greater demand on existing retail shelf space. One barrier to market entry is that new breweries must deliver significant, and value added features in order to effectively compete with those already established. Another barrier is the high cost of product development. A more likely source of competition will come from the expansion of existing microbreweries, expansion of imported beers and the development of micro-style beers by the major brewers. Many of the major brewers in the U.S. have begun to create specialty beers in order to secure market share in this growing segment and to offset declining volumes of their mainstream brands. Other major brewers have purchased minority shares in existing microbreweries.

In Alberta, the craft beer market is young. Three new microbreweries entered the market in 1995 and three brewpubs opened in Edmonton and Calgary. In addition, five microbreweries based in British Columbia have entered the Alberta market. Additional microbreweries will enhance consumer awareness of the craft brewed segment. Retailers have recognized the higher percentage of craft brewed sales and are adjusting their shelf space to increase their specialty beer section and down size the number of mainstream brands accordingly.

Banff Brewery is well positioned against segment competition by virtue of its unique German style of quality beer, the inherent values associated with the Banff name and its brand imagery and strong, effective distribution. These are substantial competitive advantages which are difficult for other microbreweries to equal.

PRICING

The Alberta environment permits open pricing. The pricing strategy of Banff Brewery is to price on par with other key local players in the craft brewed segment. Consumers will pay a premium price for a premium quality product. Accordingly, Banff Brewery has adopted a pricing strategy in keeping with industry trends, competitive activity, overhead costs and the economy. Premium pricing allows the company to maintain the advantage over the mainstream brands who engage in heavy discounting and limited time offers (LTO's). In addition, premium pricing allows the retailer to secure better margins than mainstream brands and therefore often motivates the allocation of shelf space. Good shelf position of our products better commands the attention of consumers which in turn, can positively impact sales.

The brewery sells its domestic production to the provincial liquor control boards. Payment from the government agencies is usually received within eight to 10 working days. This is an important factor in managing capital resources and inventory.

Current pricing in the United States is at a brand introduction level and will increase in each market approximately 90 days after introduction. Payment from U.S. distributors is net 30 days.

Profit margins on the company's draft beer products are higher than on packaged goods due to the elimination of the major packaging elements of bottles, crowns, labels, glue and labour.

GOVERNMENT REGULATIONS

The beer industry is regulated at both the provincial and federal government levels. The provincial governments regulate production, taxation structure, distribution and license fees. The federal government regulates labeling, international trade and excise taxes.

PROVINCIAL REGULATIONS

Every province has a different format for the regulation of its alcohol industry. In Alberta, all government liquor control board stores have been sold and privatized. Since privatization in Alberta, the distribution and warehousing functions of the liquor control board have been turned over to private enterprises. However, the Alberta government still controls the taxation and administration of liquor control policies. In British Columbia and Manitoba, the government basically controls all functions, including retail sales. Every province has a different markup structure and thus the company experiences slight wholesale price variations to accommodate costs associated with freight, provincial markups and competitive pricing.

UNITED STATES STATE REGULATIONS

U.S. liquor regulations vary from state to state, however, all labels and packaging must meet Federal Alcohol, Tobacco and Firearms (ATF) regulations before state listing approval is granted. Banff Brewery has met all ATF approvals and has secured appropriate U.S. packaging and labels. Liquor tax markups vary from state to state but are substantially less than taxes imposed by Canadian provincial governments. This lower taxation plus the weaker Canadian dollar allows Banff Brewery brands to be landed into the U.S. at very competitive rates with local microbreweries. The company does not incur costs associated with Federal Excise tax, bottle recycling and local freight as per Canada. Export freight and distribution costs are handled by the importer/distributor.

Auditors' Report

To the Shareholders of
Banff Brewery Corporation

We have audited the balance sheets of Banff Brewery Corporation as at February 29, 1996 and February 28, 1995 and the statements of loss and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 1996 and February 28, 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Smith Lawson Gregory

Calgary, Alberta
June 24, 1996

Chartered Accountants

Financial Statements

BALANCE SHEETS
FEBRUARY 29, 1996 AND FEBRUARY 28, 1995

	1996	1995
ASSETS		
CURRENT		
Cash	$ 49,392	$ 33,459
Temporary investments	-	244,873
Accounts receivable	15,579	38,224
Inventory	87,481	12,071
Prepaid expenses and deposits	15,659	86,381
	168,111	415,008
CAPITAL ASSETS *(Note 4)*	849,309	544,364
DEFERRED CHARGES AND OTHER ASSETS *(Note 5)*	72,541	51,471
	$1,089,961	$ 1,010,843
LIABILITIES		
CURRENT		
Bank indebtedness *(Note 6(a))*	$ 75,000	$ -
Accounts payable and accrued liabilities	63,634	126,303
Current portion of long-term debt *(Note 6(b))*	42,377	-
	181,011	126,303
LONG-TERM DEBT *(Note 6(b))*	205,250	-
LOANS PAYABLE *(Note 7)*	191,430	21,492
	577,691	147,795
SHAREHOLDERS' EQUITY		
CAPITAL STOCK *(Note 8)*	1,254,915	1,032,973
DEFICIT	(742,645)	(169,925)
	512,270	863,048
	$1,089,961	$ 1,010,843

See accompanying notes to financial statements

APPROVED ON BEHALF OF THE BOARD

Director

Alan Barrie
Director

STATEMENTS OF LOSS AND DEFICIT
YEARS ENDED FEBRUARY 29, 1996 AND FEBRUARY 28, 1995

	1996	1995
REVENUE	$ 258,567	$ -
GOVERNMENT COMMISSIONS AND TAXES *(Note 2(a))*	(113,845)	-
COST OF SALES	(86,915)	-
	57,807	-
EXPENSES		
Selling, general and administration (Schedule)	560,487	145,231
Interest on long-term debt	18,466	-
Depreciation and amortization of capital assets	42,145	-
Amortization of pre-opening, market and product development costs	17,822	-
	638,920	145,231
LOSS FROM OPERATIONS	(581,113)	(145,231)
OTHER INCOME		
Interest income	2,644	22,161
Other	5,749	-
	8,393	22,161
NET LOSS	(572,720)	(123,070)
Deficit, beginning of year	(169,925)	(28,855)
	(742,645)	(151,925)
Dividends	-	18,000
DEFICIT, END OF YEAR	$ (742,645)	$ (169,925)
NET LOSS PER SHARE *(Note 9)*	$ (.053)	$ (.023)

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN FINANCIAL POSITION
YEARS ENDED FEBRUARY 29, 1996 AND FEBRUARY 28, 1995

	1996	1995
OPERATING ACTIVITIES		
Cash from operations		
Net loss	$ (572,720)	$ (123,070)
Add non-cash item		
Depreciation and amortization	59,967	-
Net change in non-cash working capital *(Note 11)*	(44,712)	(8,511)
Cash used in operating activities	(557,465)	(131,581)
FINANCING ACTIVITIES		
Issue of capital stock, net of issue costs	221,942	970,731
Increase in long-term debt	250,000	-
Repayment of long-term debt	(2,373)	(3,177)
Loans payable	169,938	-
Cash provided by financing activities	639,507	967,554
INVESTING ACTIVITIES		
Purchase of capital assets	(347,090)	(544,364)
Increase in deferred charges and other assets	(38,892)	(51,471)
Cash used in investing activities	(385,982)	(595,835)
DIVIDENDS	-	(18,000)
INCREASE (DECREASE) IN CASH	(303,940)	222,138
Cash, beginning of year	278,332	56,194
CASH (BANK INDEBTEDNESS), END OF YEAR	$ (25,608)	$ 278,332
CASH (BANK INDEBTEDNESS) IS COMPRISED OF:		
Cash	$ 49,392	$ 33,459
Temporary investments	-	244,873
Bank indebtedness	(75,000)	-
	$ (25,608)	$ 278,332

See accompanying notes to financial statements

Notes to Financial Statements

1. CONTINUED OPERATIONS

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has a working capital deficiency of $ 12,900 and has accumulated a deficit of $ 742,645 through February 29, 1996.

The Company's ability to continue as a going concern is dependent upon developing profitable operations and generating sufficient capital to meet its obligations as they become due.

Management is presently negotiating additional financing and reviewing alternatives for additional equity. Management is of the opinion that it will be successful in its efforts.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition
Revenue is recognized at the time of shipment at the gross sale price charged to the purchaser. Invoices for sales are submitted to the Provincial Liquor Control Board who pays the Company directly after deducting Liquor Board commissions. Excise taxes are assessed on production. Commissions and taxes are comprised as follows:

	1996	1995
Liquor Control Board commissions	$ 86,499	$ -
Excise and sales taxes	27,346	-
	$ 113,845	$ -

Inventories
Inventory of raw materials and supplies are valued at the lower of cost using first in, first out method and net realizable value. Inventories of brews in process and finished product are valued at the lower of cost and net realizable value.

Capital Assets
Capital assets are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets as follows:

Plant and equipment	4%
Office equipment	10%
Leasehold improvements	10%

Deferred Charges
The Company capitalizes pre-operating, market and production development expenses which are expected to benefit future periods. These costs are to be amortized over a five year period.

Earnings (Loss) Per Share
Earnings (loss) per share is calculated on the basis of the weighted average number of common shares outstanding during the year.

3. INVENTORIES

	1996	1995
Raw materials	$ 2,802	$ 12,071
Brews in progress	9,881	-
Finished product	2,308	-
Packaging and supplies	67,746	-
Promotional goods	4,744	-
	$ 87,481	$ 12,071

4. CAPITAL ASSETS

	1996			1995
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Plant equipment	$734,722	$ 26,939	$707,783	$ 444,778
Leasehold improvements	150,347	14,568	135,779	94,381
Office equipment	6,385	638	5,747	5,205
	$891,454	$ 42,145	$849,309	$ 544,364

5. DEFERRED CHARGES AND OTHER ASSETS

	1996	1995
Pre-opening, market and product development costs	$ 79,387	$ 40,495
Accumulated amortization	17,822	-
	61,565	40,495
Deposits	10,976	10,976
	$ 72,541	$ 51,471

6. BANK INDEBTEDNESS AND LONG-TERM DEBT

	1996	1995
Bank Indebtedness		
Demand loan at prime plus 2%. The indebtedness is secured by a general security agreement covering all company's assets.	$ 75,000	$ -

	1996	1995
Long-term Debt		
Small Business Loan, repayable in monthly installments of $ 5,150 including interest at prime plus 1%, due January, 2000; secured with plant equipment pledged as collateral and a general security agreement covering all company's assets.	$ 247,627	$ -
Current portion	42,377	-
	$ 205,250	$ -

Estimated principal repayments required for subsequent years are as follows:

1997	$ 42,377
1998	$ 42,129
1999	$ 49,847
2000	$ 54,253
2001	$ 59,021

7. LOANS PAYABLE

The loans payable include advances from various directors of the Company. These advances are non-interest bearing with no fixed terms of repayment. Pursuant to a directors resolution of May 19, 1996, it is the Company's intention to obtain regulatory approval to convert these loans into capital stock of the Company.

8. CAPITAL STOCK

	Number of Shares	Amount
Authorized		
Unlimited number common voting shares		
Unlimited number first preferred shares		
Unlimited number second preferred shares		
Issued		
Common shares		
Balance, February 28, 1994	2,783,000	$ 62,242
Public share issue	2,530,000	253,000
Issued in exchange for common shares of Banff Brewery Corporation, net of issue costs	5,251,250	717,731
Balance, February 28, 1995	10,564,250	1,032,973
Issued from treasury	84,716	8,472
Rights exercised during the year	853,880	213,470
Balance, February 29, 1996	11,502,846	$ 1,254,915

The first and second preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

As at February 29, 1996 and February 28, 1995, 4,937,500 shares are held in escrow, the release of which is subject to the written consent and direction by the Chief of Securities Administration of the Alberta Securities Commission Agency.

As at February 29, 1996 and February 28, 1995, stock options were outstanding to employees and directors to acquire a total of 423,583 common shares at a price of $.10 per share, expiring November 26, 1998.

9. NET LOSS PER SHARE

Net loss per share is calculated on the basis of the weighted average number of common shares outstanding during the year of 10,715,533 (1995 - 5,154,461).

10. INCOME TAXES

The Company has accumulated non-capital losses for income tax purposes of approximately $ 824,360 which are available against future taxable income, the related benefits of which have not been recognized in the financial statements. Unless sufficient taxable income is earned, these losses will expire as follows:

2000	$	8,760
2001	$	22,300
2002	$	196,000
2003	$	597,300

11. NET CHANGE IN NON-CASH WORKING CAPITAL

		1996		1995
Accounts receivable	$	**22,645**	$	(37,362)
Inventory		**(75,410)**		(12,071)
Prepaid expenses and deposits		**70,722**		(85,381)
Accounts payable and accrued liabilities		**(62,669)**		126,303
	$	**(44,712)**	$	(8,511)

12. COMMITMENTS

The Company is committed to the following minimum annual lease payments for the lease of its premises, expiring December 31, 1999, and for various operating leases for the use of automobiles and office equipment, expiring in February, April and August, 1997 and February, 1998:

1997	$	67,675
1998	$	51,838
1999	$	45,900
2000	$	38,250

SCHEDULE OF SELLING, GENERAL AND ADMINISTRATION EXPENSES
YEARS ENDED FEBRUARY 29, 1996 AND FEBRUARY 28, 1995

		1996		1995
Salaries and employee benefits	$	162,402	$	20,472
Advertising, promotion and market development		123,892		2,619
Rent and utilities		91,983		6,953
Professional fees		52,582		39,770
Automotive and equipment lease		33,628		-
Travel and pre-production costs		18,327		52,587
Rights offering fees		14,188		-
Repairs and maintenance		12,870		-
Business taxes, licenses and permits		11,436		2,570
Insurance		10,066		4,161
Freight		8,632		-
Office and miscellaneous		7,948		7,539
Dues and subscriptions		4,025		-
Bank charges and interest		3,860		-
Sales commissions		2,262		-
Directors fees		2,036		-
Transfer agent and filing fees		350		8,560
	$	560,487	$	145,231

Management Profile

ALAN BARRIE
President, Chief Executive Officer and Director
Since March 31, 1995, Mr. Barrie has been President and Director of the Company. From 1992 to 1995 he was President of Banff Brewery Corporation and from 1993 to 1995 he was President of Banff Brewery Capital Corp; both predecessors to the current company. Prior to this, Mr. Barrie spent 15 years in senior marketing and brand management with Labatts Brewery, culminating in the position of Brand Manager- Western Canada.

LORNE KELLY
Secretary-Treasurer and Director
For the past 40 years, Mr. Kelly has been President and principal owner of Kelly Funeral Homes Inc., with locations in Ontario and Quebec. Mr. Kelly is a past Director of the Funeral Directors Association of Canada and the Ontario Funeral Directors Association.

JOE COUILLARD
Director
Mr. Couillard has active interests in several private and public companies. Since 1987, he has been President of Oakcreek Golf and Turf Inc., a distributor of golf and turf equipment in Western Canada. Since 1985, he has been the President of Coldstream Energy Ltd., a private oil and gas company and since 1983, Mr. Couillard has been President of Couillard Developments Ltd., a ski area and land development company. In addition, Mr. Couillard is a director of Vero Resources Ltd., a public oil and gas company listed on The Toronto Stock Exchange.

HARRY HIGGINS
Director
Mr. Higgins is a Petroleum Landman with 16 years experience in the petroleum and natural gas industry. He is President of Antelope Land Services Ltd., a land service company, and Enviro Field Service Inc., an environmental consulting firm to the oil and gas industry. Mr. Higgins is an active member of the Canadian Association of Petroleum Landmen.

WILLIAM D. BONNER
Director
Mr. Bonner is the Managing Director of Institutional Sale at Peters & Co. Limited, Calgary, Alberta. He has been with Peters & Co. since 1984, previously with Wood Gundy Inc. Mr. Bonner obtained a B. Comm. at the University of Calgary in 1980. He is also a Volunteer Board Member, Boys and Girls Clubs of Calgary Foundation.

R. STEVEN SMITH
Director
Mr. Smith is an energy analyst at Nesbitt Burns. Prior to that he worked as a Finance Consultant specializing in oil and gas ventures. He holds and has held directorship in various industries including food and beverage, oil and gas, technology and athletics.

Corporate Information

OFFICERS

Alan G. Barrie
President, Chief Executive Officer

Lorne P. Kelly
Secretary, Treasurer

DIRECTORS

Alan G. Barrie
President and Chief Executive Officer
Banff Brewery

Lorne P. Kelly
President
Kelly Funeral Homes Inc.
Ontario and Quebec

William D. Bonner
Principal and Managing Director
Peters & Co. Ltd.
Calgary, Alberta

Joe D. Couillard
President, Oakcreek Golf and Turf Inc.
President, Coldstream Energy Ltd.
President, Couillard Developments Ltd.
Calgary, Alberta

Harry H. Higgins
President, Antelope Land Services Ltd.
President, Enviro Field Services Inc.
Calgary, Alberta

Steve Smith
Energy Analyst
Nesbitt Burns
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

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STOCK EXCHANGE

Alberta Stock Exchange
Trading Symbol BBW

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